

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On August 23, 2018 450 Columbus Boulevard, Hartford, Connecticut

The State Properties Review Board held its regular meeting on August 23, 2018 in Suite 2035, 450 Columbus Boulevard, Hartford, Connecticut.

Members Present: Edwin S. Greenberg, Chairman
Bruce Josephy, Vice Chairman
John P. Valengavich, Secretary
Jack Halpert

Members Absent:

Staff Present: Dimple Desai
Thomas Jerram

Guests Present:

Chairman Greenberg called the meeting to order.

Mr. Valengavich moved and Mr. Halpert seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

ACCEPTANCE OF MINUTES: August 16, 2018 and August 20, 2018.

Mr. Valengavich moved and Mr. Halpert seconded a motion to accept the minutes of August 16, 2018 and August 20, 2018. The motion passed unanimously.

COMMUNICATIONS – Staff summarized the Colliers Quarterly report for the New Haven office for the Board.

REAL ESTATE- UNFINISHED BUSINESS

REAL ESTATE – NEW BUSINESS

PRB #	18-135
Transaction/Contract Type:	RE/ Voucher
Origin/Client:	DOT/DOT
Project Number:	304-016-005
Grantor:	Chemtura Corporation (Lanxess Solutions US Inc.)
Project Purpose:	Waterbury Signal Project
Item Purpose:	Access Easement and Parking Easement

The Department is proposing to acquire an easement for providing access to the State railroad right of way of 2.037± acres. This easement is limited to travel only and is not to be used for the storage of equipment or materials nor may it impede the use of the existing parking areas and/or driveway. In addition, State of Connecticut is proposing to acquire an easement for parking and railroad access of vehicles of metro north, the DOT, and/or their assigns on 3,500± square feet of land. This easement is limited to parking only and is not to be used for the storage of equipment or materials. This easement is not to impede traffic of vehicles traveling along the access road.

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Subject Property Description, Before the Taking: The subject property consists of two parcels containing a total of 86.56± acres (156,625 sf) improved with several industrial buildings and site improvements. The property is located in an industrial zone and conforms to zoning regulations.

The improvements (site & building) are not affected by the taking.

Valuation: An appraisal was done by DOT Appraiser Michael Aletta, as of 3/27/2018. Based on the sales data comparison approach, the appraiser concluded that the fair market value of the entire property (land only) is \$0.84/sf of land area.

The table shows the appraiser's summary of damages:

Item	Estimated Value (Rounded)
Access Easement: 88,732 sf @ \$0.84/sf x 15%=	\$11,200
Parking Easement: 3,500 sf @ \$0.84/sf x 60%=	\$1,800
Total Site (rounded)	\$13,000
Damages (Value of Acquisition)	\$13,000

RECOMMENDATION: Board approval is recommended for the following reasons:

1. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes.
2. The appraised value, based on \$0.84/sf appears reasonable in light of the supporting data.

PRB #	18-140
Transaction/Contract Type:	RE/ Lease Renewal
Origin/Client:	DAS/DAS
Property Address:	Eastern Point Rd, Groton
Grantor:	Pfizer, Inc
Project Purpose:	Exercise of Option to Renew Lease
Item Purpose:	Lease renewal for 47,750 sf for DAS Data Center

DAS entered into a five-year standard lease agreement with Pfizer, Inc. that commenced on March 11, 2014, for use and occupancy of Building #230 on the Pfizer Campus at 445 Eastern Point Road (PRB 14-021). This new lease provided for the relocation of the BEST State Data Center from its former location at 99-101 East River Drive, Riverview Square, East Hartford (PRB #10-105) at a cost of \$5,127,278.85 annually. A First Amendment to Lease (PRB 14-273), approved by the Office of the Attorney General on January 15, 2015, providing for a continuation of Lessor-provided services to be reimbursed by Lessee.

The table summarizes the terms of the lease, as amended.

	Proposed Renewal PRB 18-140		Existing Lease PRB 14-021
Commence	3/11/2019		3/11/2014
Option	None		One, 5-year 12-mo notice*
Annual Rent	\$1.00		\$1.00
Reimbursements (net) – actual to 6-30-18			
Electric	\$355,436.75	\$7.44	Not available at commencement of Lease
Potable Water	\$20.00	\$0.00	
Steam	\$46,397.70	\$0.97	
Chilled Water	Inc below per DAS		
Soft Services (by contract)	Inc below per DAS		
Hard Services (by contract)	Inc below per DAS		
Alarm	\$5,895.27	\$0.12	
Security	\$72,005.88	\$1.51	
Fire	\$30,074.75	\$0.63	
Cleaning	\$24,068.04	\$0.50	
Maintenance	\$206,476.69	\$4.32	
Grounds Maint.	\$11,954.34	\$0.25	
Real Estate Taxes	\$183,996.40	\$3.85	
Total	\$936,325.82	\$19.61	

*The original lease includes a five-year option to renew with 12 months advance written notice to the Lessor. The Lessor waived this requirement in lieu of 6 months advance written notice or no later than September 10, 2018.

DAS advertised the need (LP 18-04) in the Hartford Courant on March 3, 2018, with responses due by March 7, 2018. No responses were received.

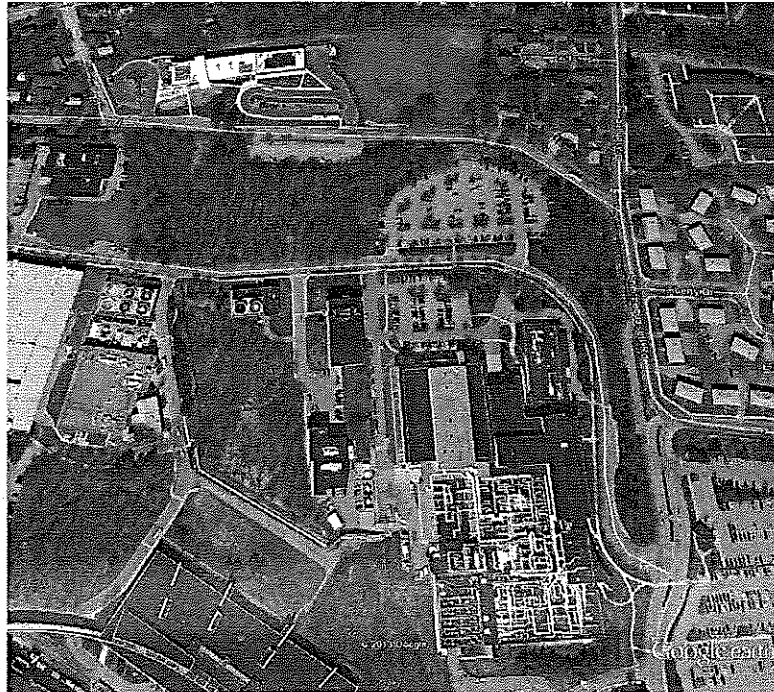
Recommendation: Staff recommend Approval of PRB 18-140 for the following reasons.

1. The lease renewal rate of \$1.00/NUSF is well below all asking rates in this market. DAS reimburses the Lessor for all operating expenses. Fiscal Year 2018 expenses totaled \$936,325.82, or \$19.61 per square foot.
2. Both DAS and the Judicial Branch occupy space in this 4 story building for use as a data center.
3. As required by statute, DAS advertised in March 2018 for similar space but did not receive any response. The space and budgeted funding were not in the approved State Facility Plan, requiring DAS to obtain an Interim Space and Interim Funding request approved by OPM on April 20, 2018. The Lease renewal was approved by OPM on July 10, 2018.

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Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 9:50. The motion passed unanimously.

EXECUTIVE SESSION

PRB # 18-156 *Transaction/Contract Type:* RE /New Lease
Origin/Client: DAS/ JUD

Statutory Disclosure Exemptions: 4b-23(e), 1-200(6)(D) & 1-210(b)(24)

At 10:01 a.m., Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Executive Session and into Open Session. The motion passed unanimously.

OPEN SESSION

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER - NEW BUSINESS

<i>PRB #</i>	<i>18-148</i>
<i>Origin/Client:</i>	DCS/DEEP
<i>Transaction/Contract Type</i>	AE / New Contract
<i>Project Number</i>	BI-T-614
<i>Contract</i>	BI-T-614-ARC
<i>Consultant:</i>	Nelson Edwards Company Architects, LLC
<i>Property</i>	Harkness State Park, Waterford
<i>Project purpose:</i>	Support Complex & Water Restoration Tower
<i>Item Purpose</i>	A/E Services Contract

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PROJECT BRIEF– Harkness State Park is a 230-acre site improved with multiple buildings that originally served as a farm and the summer residence of Edward S. and Mary Stillman Harkness in Waterford, Connecticut, on Long Island Sound. The estate was left to the State of Connecticut in 1950 and became part of the State Park system in 1952. The property was placed on the National Register of Historic Places in 1986. Any renovation work associated with this project must conform to the US Secretary of the Interior’s “Standards for the Preservation of Historic Buildings” and conform to the requirements of Connecticut’s State Historic Preservation Office.

In general this project involves the complete renovation/restoration of two of the buildings within the park identified as the Support Complex and Corcoran Windmill & Water Tank.

The Support Complex renovation/restoration will include: Lead & asbestos abatement; Repair and refinishing of walls, floors & ceilings; Restoration and/or replacement of windows; HVAC systems upgrading and zoning for more efficient energy use; restoration of the former residence quarters into employee office space, the office wing into operating condition and the garage/stable area into functional interpretive use; and Site drainage improvements.

The Corcoran Windmill & Water Tank restoration will include: Repair & repointing of the masonry and concrete elements; Window restoration; Interior structural support repair/replacement; Restoration of the Windmill Tower support timbers and the water tank roof structure; and Repair and/or replacement of interior access ways.

The overall construction and total project budget have been established at approximately **\$7,466,000** and **\$11,730,195** respectively.

In March 2016 the Department of Construction Services (“DCS”) issued a Request for Qualifications (RFQ) for *Architect & Engineer (A/E) Consultant Services* related to the **Harkness State Park Support Complex & Water Restoration Tower**. DCS elicited nine (9) responses to the advertisement of which all were considered “responsive.” DCS then proceeded to review nine submittals and after the completion of the internal review process, five firms were selected for short-listed interviews. These firms were as follows, Smith Edwards McCoy Architects, P.C., Ames & Whitaker Architects, P.C., Gregg Wies & Garnder Architects, LLC, Christopher Williams Architects, LLC and Nelson & Edwards Company Architects, LLC. The State Selection Panel consisted of 5 members and interviewed each firm for evaluation purposes based upon an established weighted ranking system. At the conclusion of the process DCS identified **Nelson & Edwards Company Architects, LLC (“NECA”)** as the most qualified firm, approved by DAS Commissioner Currey on July 21, 2016.

This contract is for *Architect/Engineer Consultant Design Team Services* for the completion of the **Harkness State Park Support Complex & Water Restoration Tower** from the initiation of a schematic design phase through the construction document phase, bidding and the subsequent completion of construction. The overall compensation rate for this basic service is **\$738,700** with an additional **\$247,635** for “Pre-Design Services and Added Services.” As such the total project fee is **\$986,335**. The scope is detailed in the DCS memo to SPRB.

NECA, LLC Fee for Basic Services (PRB #18-148)	<u>COST</u> <u>(\$)</u> <u>(BASIC)</u>	<u>COST (\$)</u> <u>(SPECIAL)</u>	<u>C. Budget</u> <u>(\$)</u>	<u>(%)</u> <u>Budget</u>
Schematic Design Phase	\$110,805	-	-	-
Design Development Phase	\$147,740	-	-	-
Construction Document Phase	\$221,610	-	-	-
Bidding and Review Phase	\$36,935	-	-	-
Construction Administration Phase	<u>\$221,610</u>	-	-	-
TOTAL BASIC SERVICE FEE (A)	\$738,700		\$7,466,000	9.9%

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Pre-Design Services & Added Services (B)		<u>\$247,635</u>	-	-
TOTAL BASIC SERVICE FEE (#18-148) (A)+(B)		\$986,335	\$7,466,000	

- The March 2016 RFQ elicited 9 responses. The Selection Panel interviewed five firms and ultimately recommended the appointment of Nelson & Edwards Company Architecture, LLC (“NECA”). The selection was approved by Commissioner Currey on 7/21/2017.
- NECA is located in Branford. This firm was established in 1996.
- Smith Brothers Insurance, LLC reported that over the past 5 years NECA has been not been exposed to any general liability or professional liability claims.
- The submittal is accompanied by a Consulting Agreement Affidavit notarized on 7/23/2018.

Following questions were raised based on the review of the proposal.

- Why is allowable fees calculated using Group “C” New Construction? Looks like this project is “renovation/restoration”.
- In the revised (March 26, 2018) proposal from the Architect (Section 1.0 – Understanding of Project), it lists total project cost as \$7,166,000 vs. \$7,466,000. I just want to make sure that the Architect’s understanding of the project is similar to DCS’s. I do see that the total project cost of \$7,466,000 is listed in the contract (pg. 2 of 10)
- The Architect’s revised proposal states (under Section 4.0) that they anticipate notification to proceed by June 2017. Have they started the design work? If not, how long is this proposal valid without additional fees because of late start?
 - For example, the pre-design and architectural programming is estimated at 105 calendar days from time to NTP. If the NTP comes after a year or two from what the Architect had anticipated, will there be a request for additional fees? If yes, under which section of the agreement/contract?
- Pl provide the draft DAS project schedule (pre-design to construction phase & closeout).
- Have the Architect submitted hourly rates of their staff that will be involved with the project? If not, should they?

RECOMMENDATION: DCS informed that it will not be able to submit the revised agreement based on staff comments with Nelson & Edwards Company Architects, LLC at the Harkness State Park until later date. Therefore, it is recommended to **SUSPEND** the file **PRB 18-148** until the Board receives the revised documents.

OTHER BUSINESS

VOTES ON PRB FILES:

The Board took the following votes in Open Session:

PRB FILE #18-135 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #18-135. The motion passed unanimously.

PRB FILE #18-140 – Mr. Valengavich moved and Mr. Josephy seconded a motion to approve PRB FILE #18-140. The motion passed unanimously.

PRB FILE #18-156 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #18-156. The motion passed unanimously.

PRB FILE #18-148 – Mr. Valengavich moved and Mr. Josephy seconded a motion to suspend PRB FILE #18-148 pending response from DCS.

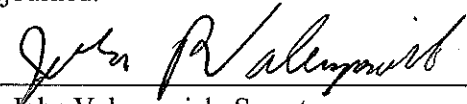
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Next regular meeting Monday, August 30, 2018.

The meeting adjourned.

APPROVED:  Date: 8/27/18
John Valengavich, Secretary

